

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	71949	Agenda Number	27.
Meeting Date:		June 22, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a 36-month contract through the State of Texas Department of Information Resources cooperative purchasing program with CARAHSOFT TECHNOLOGY CORP., to provide ServiceNow products, services and software including maintenance and support, in an estimated amount of \$4,387,556, with two 12-month extension options in an estimated amount of \$1,314,747 per extension option, for a total contract amount not to exceed \$7,017,050.					
Amount and Source of Funding					
Funding in the amount of \$365,630 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining 33 months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:		Multiple vendors were reviewed within this cooperative purchase program for these services. The Purchasing Office has determined this Contractor best meets the needs of the department to provide the services required at the best value for the City. The recommended Contractor is the current provider for these services.			
Prior Council Action:					
For More Information:		Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov or to the buyer, Gabriela Harthcock, at 512-322-6118 or Gabriela.Harthcock@ austinenergy.com			
Boards and Commission Action:		June 19, 2017 - To be reviewed by the Electric Utility Commission.			
Related Items:					
MBE / WBE:		This procurement was reviewed for subcontracting opportunities in accordance with City			

Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

#### Additional Backup Information

The contract is for the purchase of ServiceNow subscription renewals, products and services, including maintenance and support, for Austin Energy. The contract will facilitate the upgrade, renewal and consolidation of Austin Energy's ServiceNow software portfolio including related maintenance and support services, and the purchase of new technology products on an as-needed basis.

ServiceNow software allows Austin Energy to automate and manage enterprise information technology (IT) operations and provide a forms-based workflow to create a single system of record for all IT processes. This system allows Austin Energy IT to bring together strategy, design and operations on a simple cloud platform.

The ServiceNow cloud-based technology platform-as-a-service is designed to support technology service management best-practices. The one platform, one architecture, one data-model approach allows for the creation of a single system of record that provides end-to-end tracking technology-based assets, IT services and their relationships that support the three main IT customer service management goals. These goals are to improve service delivery, improve service monitoring, and improve service recovery when needed.

The platform also allows Austin Energy business experts to automate repetitive processes through workflow app development. The solution is divided into five platform supporting app areas which include IT service management, security management, operations management, business management and an application development environment.

The contract represents a consolidation of previous separate purchases of these products and services into a single contract. The requested authorization amount is based on forecasted needs for the term of the contract. Austin Energy's historical spend for these products and services have averaged approximately \$1,300,000 per year.

Austin Energy IT has used ServiceNow as the IT Service Management tool for the management of thousands of Austin Energy technology requests each year. The tool applies a subscription model for the ongoing use of the tool. This contract addresses an on-going requirement for a subscription to the ServiceNow tool.

The State of Texas Department of Information Resources cooperative establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

CARAHSOFT TECHNOLOGY CORP.				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	36	\$ 4,387,556	n/a	n/a
Extension Option 1	12	\$ 1,314,747	n/a	n/a
Extension Option 2	12	\$ 1,314,747	n/a	n/a
<b>TOTAL</b>	<b>60</b>	<b>\$ 7,017,050</b>	<b>\$ -</b>	<b>\$ -</b>